

Message Text

CONFIDENTIAL

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20

ACTION NEA-06

INFO OCT-01 SS-14 ISO-00 NSC-10 NSCE-00 CIAE-00 INR-10

NSAE-00 RSC-01 H-01 AID-10 IGA-01 EB-03 OMB-01 TRSE-00

COME-00 DRC-01 SSO-00 CCO-00 DODE-00 USSS-00 INRE-00

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O 041127Z NOV 73

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC IMMEDIATE 0403

CONFIDENTIAL TEL AVIV 8926

LIMDIS

E. O. 11652: GDS

TAGS: EFIN, IS

SUBJECT: ISRAEL'S FOREIGN EXCHANGE POSITION

REF: A. STATE 216856; B.CWEL AVIV 8901

1. DAVRATH PROVIDED ON NOV 4 FOLLOWING CONFIDENTIAL DATA
ON ISRAEL'S FOREIGN EXCHANGE POSITION AT END OF SEPTEMBER AND

END OF OCTOBER FOR BACKGROUND ONLY. AS STATED REF B, ISRAEL
HAS CLASSIFIED THIS INFORMATION AND IT IS IMPORTANT WE HONOR
THIS SECURITY CLASSIFICATION AND ENSURE IT IS NOT PUBLISHED IN
ANY FORM.

2. FOREIGN EXCHANGE ASSETS OF BANK OF ISRAEL (BOI) IN
MILLION DOLLARS:

SEPT 30 OCT 71

FOREIGN EXCHANGE 1,488 1,735

GOLD 46 46

SDR 34 34

IMF GOLD QUOTA 39 39

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TOTAL 1,607 1,854

3. AS EXPLAINED IN REF B, GOI MAKES CERTAIN DEDUCTIONS FROM THESE TOTALS IN STATING ITS OFFICIAL RESERVES, THOUGH NEITHER EMBASSY NOR IMF DOES SO. FOR SEPTEMBER: DEDUCT FOREIGN RESIDENTS' DEPOSITS \$118 MILLION; FOREIGN BANKS' DEPOSITS \$7 MILLION; ACCORDINGLY OFFICIAL RESERVES AS STATED BY ISRAEL \$1,482 MILLION#/ FOR OCTOBER: FOREIGN RESIDENTS' DEPOSITS \$123 MILLION; FOREIGN BANKS' DEPOSITS \$4 MILLION; ACCORDINGLY RESERVES STATED BY ISRAEL \$1,727 MILLION.

4. WE REPORTED IN TEL AVIV 8750 THAT FUND-RAISING EFFORTS SINCE OCT 1 HAD RAISED \$610 MILLION WORLDWIDE. OBVIOUSLY GOI IS SPENDING AT ACCELERATED RATE, AND THIS MAY EXPLAIN WHY BOI RESERVES ROSE ONLY \$250 MILLION DURING OCTOBER. BUT POSSIBILITY OF SIDC ACCOUNT AS OUTLINED REF B MUST BE ALLOWED FOR. WE ALSO REPORTED IN TEL AVIV 8671 THAT GOI PLANNED TO HOLD IN UNITED STATES AMOUNTS RAISED THERE UNTIL USED. WE DO NOT KNOW WHETHER ALL MONEYS RAISED HAVE BEEN TRANSFERRED YET TO GOI.

KEATING

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Message Attributes

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US Department of State
EO Systematic Review
30 JUN 2005

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